

FY 2010 Preliminary Outlook

September 17, 2008

Revenue Outlook

- Real Property Values
 - 8+% Housing Value Decline
 - Commercial Value -2%
 - Some New Construction

Net Impact for 2010:

Decline of \$60 M

Other County Revenues

- Personal Property up \$5M
- Sales Tax Flat
- BPOL Flat
- All Others Net as Flat

School Revenues

- Predicted to Grow at \$16 M
 - Subject to Change From State

Use of Fund Balance/One Time Revenues

- General Fund
 - Used \$27 M
- Debt Service Fund
 - Used \$23 M and,
 - \$8 M in Proffers

Net Resources Available

- Real Property **-\$60 M**
- Other Taxes **+\$5 M**
- School Revenue **+\$16 M**
- Use of One-Time Funds **-\$58 M**
- **Total New Money** **-\$97 M**

Expenditures

- General Fund Increase
 - Health Insurance **+\$4 M**
 - Full Year Impact of Mid-Year **+\$2 M**

Expenditures

- School Increase
 - Health Insurance **+\$8 M**
 - New Students (3,556) **+\$47 M**
- Shared Expense
 - OPEB Increase **+\$5 M**

Debt Service

- Delays in Borrowings Have Reduced FY 2010 (and 2009) Estimates
- FY 10 Estimate **-\$5 M**

CIP

- *As Projected in FY 09 – 14 Adopted CIP*
 - Estimated Increase **+\$18 M**

Expenditures

- **County Base Increase** **+\$6 M**
- **School Base Increase** **+\$55 M**
- **OPEB Contribution** **+\$5 M**
- **Debt Service** **-\$5 M**
- **CIP** **+\$18 M**
- **Total New Expenditures** **+\$79 M**

Net “Gap”

- Resource Shortfall of -**\$97 M**
- Expenditure Increase of **+\$79 M**
- Initial Gap at \$1.14 Rate of **\$176 M**

Tax Impacts

- Penny at about \$8.5 M
- Equalized Homeowner Tax Bill of \$1.24
- 3% Increase in Homeowner Tax Bill would equal \$1.28 Rate
- 5% Increase would equal \$1.30 Rate
- \$1.35 would be required to fully fund “Gap”

Tax Rate and the “Gap”

• \$1.14	\$176 M	-5%
• \$1.24	\$ 91 M	0%
• \$1.28	\$ 59 M	+3%
• \$1.30	\$ 38 M	+5%
• \$1.35	\$ 0 M	+9%

Caveats

- **No Further Decline in Values**
- **No Further Flattening of Population-Based Revenues**
- **No Further Loss of State Funds**